



[Billing Code: 6325-39]

## **OFFICE OF PERSONNEL MANAGEMENT**

### **Personnel Demonstration Project; Pay Banding and Performance-Based Pay**

#### **Adjustments in the National Nuclear Security Administration**

**AGENCY:** U.S. Office of Personnel Management.

**ACTION:** Notice of approval of a modification to a demonstration project final plan.

**SUMMARY:** Title VI of the Civil Service Reform Act, codified in 5 U.S.C. Chapter 47, authorizes the Office of Personnel Management (OPM) to conduct demonstration projects that experiment with new and different human resources management concepts to determine whether changes in policies or procedures would result in improved Federal human resources management. On December 21, 2007, OPM published a document in the Federal Register announcing final approval of a demonstration project plan for the National Nuclear Security Administration (NNSA), a separately organized agency within the U.S. Department of Energy (DOE). In accordance with 5 CFR 470.315, this notice constitutes OPM's approval of a modification of NNSA's final project plan, to make a participating organization change and to make two employee coverage changes.

**DATES:** These modifications to NNSA's demonstration project final plan are effective immediately upon publication of this notice.

**FOR FURTHER INFORMATION CONTACT:** National Nuclear Security

Administration: Rosa Benavidez, Demonstration Project Leader, (505) 845-6683; Office of Personnel Management: Zelma Moore, (202) 606-1157.

## **SUPPLEMENTARY INFORMATION:**

### **1. Background**

OPM approved NNSA's demonstration project final plan, and it was published in the Federal Register on December 21, 2007 (72 FR 72776). The demonstration project was implemented on March 16, 2008, and modified to include three technical corrections to the final project plan on July 31, 2008, as published in the Federal Register (73 FR 44786). On March 11, 2013, OPM authorized an extension of the demonstration project to March 15, 2015, to provide time to validate the results of the interventions tested under this project.

### **2. Statement of Purpose**

The principal purposes of the NNSA demonstration project are to—

- 1) Modify and simplify the General Schedule (GS) classification system by establishing pay bands which may cover more than one grade; and
- 2) Modify the GS pay system to base pay increases on performance distinctions made under a credible, strategically-aligned performance appraisal program and thereby improve the results-oriented performance culture within the organization.

The primary goals of the project are to:

- 1) Improve hiring by allowing NNSA to compete more effectively for high quality employees through the judicious use of higher entry salaries;
- 2) Motivate and retain staff by providing faster pay progression for high-performing employees;
- 3) Improve the usefulness and responsiveness of the position classification system to managers;

4) Increase the efficiency of administering the position classification system through a simplified pay-banded application of the current General Schedule grade structure, and reduce the procedural steps and documentation requirements traditionally associated with classifying positions;

5) Eliminate automatic pay increases (i.e., annual adjustments that normally take effect the first day of the first pay period beginning on or after January 1) by making pay increases performance-sensitive, so that only Fully Successful (known as “Fully Meets Expectations” in NNSA) and higher performers will receive pay adjustments, and the best performers will receive the largest pay adjustments;

6) Integrate with, build upon, and advance the work of several key human capital management improvement initiatives and projects currently underway in NNSA, including—

a. Advancing the ongoing refinement of NNSA’s enterprise-wide performance management program, including automated refinements,

b. Achieving greater parity, though not complete harmony, with NNSA’s mature excepted service pay-banded and pay-for-performance system (e.g., will have a lower high-end pay band; no automatic pay increases, etc.),

c. Building on the simplified position description (PD) format and automated PD library that are already in place,

d. Continuing to develop improved performance management skills among first-line supervisors through increased program rigor, additional training, and better guidance materials, to better develop standards that reflect differences in performance,

e. Establishing a system of career-enhancing career paths for the purpose of developing, advancing, and retaining employees,

f. Building on the workforce analysis and planning system, already in place, to identify FTE needs and competency needs and skills gaps, to conduct a valid occupational analysis to construct meaningful pay bands.

To accomplish these goals, NNSA modified and waived parts of the GS classification and pay systems by identifying broad career paths, establishing pay bands which often combined grade intervals, eliminated longevity-based step progression, and provided for annual pay increases based on performance.

### **3. Description of Changes to the Project Plan**

NNSA amends the demonstration project final plan to make several minor administrative changes, one participating organization change, and two employee coverage changes.

#### *(1) Participating Organization Change*

Section II.D., “Participating Organizations,” of the final plan identifies the scope of participating NNSA headquarters components and field offices. One of the organizations cited in the final plan is the “Service Center in Albuquerque, NM.” As this organization was disestablished by reorganization in June 2011, this organizational reference is deleted (page 72787).

#### *(2) Employee Coverage Changes*

Section II.E., “Participating Employees,” of the final plan identifies the universe of participating NNSA competitive service employees.

(a) Bargaining Unit Employees

When the demonstration project final plan was approved, there were 16 bargaining unit employees at NNSA headquarters, the only bargaining unit employees among a GS workforce of about 1,950 employees. These employees were not covered by the demonstration project plan, and they were not converted to pay banding when the project was implemented.

Subsequently on November 26, 2008, the President signed Executive Order 13480 (73 FR 73991) amending Executive Order 12171, as previously amended, exempting NNSA in its entirety from the Federal Labor-Management Relations Program in the interest of national security. With the issuance of the new executive order, NNSA's remaining bargaining unit employees were excluded from the bargaining unit and were converted to pay banding.

This change deletes the parenthetical explanation, "The only bargaining unit in NNSA is at headquarters, and currently includes 16 positions," in the "Participating Organizations" section of the project plan (page 72787).

(b) Schedule D Employees

Through the issuance of a final rule (77 FR 28194) on May 11, 2012, OPM implemented the Government's new Pathways Programs to streamline hiring for student interns, recent college graduates, and Presidential Management Fellows. Pathways hiring is conducted under the Schedule D excepted appointing authority established under E.O. 13562.

This change adds a reference to Schedule D to the “Participating Employees” section of the project plan (page 72787), which will allow employees appointed under Schedule D to be demonstration project participants. NNSA shall issue forthcoming policy through which to implement the Pathways Program under the demonstration project. This policy will be consistent with the Pathways Program Memorandum of Understanding between OPM and DOE (signed 8-31-12), and will adhere to the requirements of 5 CFR 470.313.

#### **4. Notification Responsibilities:**

As required by 5 CFR 470.315, NNSA has the following notification responsibilities for this project modification: Notify and make copies of this Federal Register notice available to all employees affected by the activities of the demonstration project.

Katherine Archuleta,  
Director.

#### **Approval**

Pursuant to 5 CFR 470.315, OPM approves the following modification to NNSA’s final project plan.

## **Specific Textual Changes to the Project Plan**

In FR Doc. 07–6144, published on December 21, 2007 (72 FR 72776), make the following textual changes:

*(1) On page 72787: “Participating Organizations”*

Participating organizations is amended, as excerpted:

“Each headquarters and field organization in NNSA will participate. This includes HQ program and mission-support components, including NNSA’s cadre of nuclear materials couriers, who are deployed at various locations in the United States, eight geographically dispersed Field Offices, and the Naval Reactors Laboratory Field Office...”

*(2) On page 72787: “Participating Employees”*

Employee coverage is amended:

“The demonstration project will cover all non-bargaining unit competitive service (GS equivalent) employees in the participating organizations identified in the preceding paragraph. Included in the coverage are Schedule A, B, and D Excepted Service employees. Not included are Schedule C Excepted Service employees and Excepted Service employees authorized under the NNSA Act, National Defense Authorization Acts, and the DOE Organization Act. Table 1 (pages 72788-9) is amended to show the number of employees by occupational series and pay band who are participating in the demonstration project as of February 2013.”

*(3) On pages 72788-9: Updated table 1*

Table 1 is revised to show the number of employees who are participating in the demonstration project as of February 2013; entries are by occupational series and pay band.



Table 1.--Covered Employees By Occupational Series and Career Path/Pay Band

[illegible]

00391	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
00399	.....	.....	.....	.....	4	.....	.....	.....	8	1	.....	.....	.....	.....	.....	.....	.....	.....	13
00501	.....	.....	.....	.....	.....	7	6	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	14
00505	.....	.....	.....	.....	.....	.....	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
00510	.....	.....	.....	.....	.....	7	40	4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	51
00511	.....	.....	.....	.....	.....	4	3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	7
00525	.....	.....	.....	.....	.....	.....	.....	.....	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	2
00560	.....	.....	.....	.....	.....	4	49	6	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	59
00561	.....	.....	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	1
00599	.....	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
00610	.....	.....	.....	.....	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
00690	.....	.....	.....	.....	.....	.....	3	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4
00801	.....	.....	78	197	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6	281
00804	.....	.....	2	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	7
00810	.....	.....	4	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5
00819	.....	.....	3	3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6
00830	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
00840	.....	.....	17	58	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	75
00850	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1	2
00854	.....	.....	6	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	8
00899	.....	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
00901	.....	.....	.....	.....	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
00905	.....	.....	.....	.....	.....	.....	12	19	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	31
00950	.....	.....	.....	.....	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
01035	.....	.....	.....	.....	.....	1	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6

01082	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
01101	.....	.....	.....	.....	.....	8	8	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	18
01102	.....	.....	.....	.....	.....	7	77	21	.....	.....	.....	.....	.....	.....	.....	.....	.....	3	108
01103	.....	.....	.....	.....	.....	5	4	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	10
01106	.....	.....	.....	.....	.....	.....	.....	.....	.....	1	2	.....	.....	.....	.....	.....	.....	.....	3
01109	.....	.....	.....	.....	.....	.....	4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4
01150	.....	.....	.....	.....	.....	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
01170	.....	.....	.....	.....	.....	1	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
01222	.....	.....	.....	.....	.....	.....	1	4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5
01301	.....	1	6	59	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2	68
01306	.....	.....	.....	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5
01310	.....	.....	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
01412	.....	.....	.....	.....	.....	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
01515	.....	.....	.....	.....	.....	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
01530	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
01550	.....	.....	.....	.....	.....	.....	.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
01640	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
01712	.....	.....	.....	.....	.....	1	36	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	37
01750	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
01801	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
01910	.....	.....	.....	.....	.....	4	4	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	9

02010	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
02101	.....	.....	.....	.....	.....	.....	27	7	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	34
02130	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1
02181	.....	.....	.....	.....	.....	.....	4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4
02210	.....	.....	.....	.....	1	7	42	6	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	56
Grand Total	0	1	117	333	9	277	702	264	11	58	5	147	86	73	19	0	1	15	2118

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